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March 19, 2003

Hon. James H. Welsh Commissioner of Conservation P. O. Box 94275 Baton Rouge, Louisiana 70804

Re: Hackberry Zone, Reservoir C, Lacassine Field, Jefferson Davis Parish, Louisiana

## Dear Mr. Commissioner:

Application is hereby made on behalf of Kerr-McGee Rocky Mountain Corp. to the Commissioner of Conservation for the calling of a public hearing, after legal notice, pertaining to the following matters relative to the Hackberry Zone, Reservoir C, Lacassine Field, Jefferson Davis Parish, Louisiana:

- 1. To establish rules and regulations governing the exploration for and production of gas and condensate from the Hackberry Zone, Reservoir C, in the Lacassine Field, Jefferson Davis Parish, Louisiana;
- 2. To create two (2) drilling and production units for the Hackberry Zone, Reservoir C, designated as the HBY RC SU A and HBY RC SU B as shown on the plat attached hereto;
- 3. To force pool and integrate all separately owned tracts, mineral leases and other property interest within the units so created on a surface acreage basis of participation;

- 4. To allow the Commissioner of Conservation to reclassify the Reservoir by supplemental order, without the necessity of public hearing, should the producing characteristics of the reservoir change and evidence to justify reclassification is submitted to and accepted by the Commissioner of Conservation;
- 5. To consider such other matters as may be pertinent.

The Hackberry Zone, Reservoir C, in the Lacassine Field, Jefferson Davis Parish, Louisiana, is hereby defined as that gas and condensate bearing zone encountered between the depths of 10,620 feet and 11,930 feet (electrical log measurements) in the Inexco Oil Company - B.L. Bourgeois No. 1 Well, located in Section 33, Township 9 South, Range 6 West, Jefferson Davis Parish, Louisiana.

All pertinent data relating to this proposed application may be obtained **AT THE COST OF THE REQUESTING PARTY** from Cutright & Hardwick, P. O. Box 80972, Lafayette, LA 70598-0972, (337) 232-7756.

The pre-application conference was held as scheduled on February 14, 2003. In attendance were the parties shown on the attached attendance list. The conference was opened by the undersigned and turned over to Travis Helms, consulting geologist for the applicant, who discussed the bases of the applicant's proposal. Mr. Frank Harrison, on behalf of the Berken family, presented a counterplan which differed from the applicant's by shifting the east line to the east, resulting in a unit of approximately 480 acres. Mr. Joel Werner, on behalf of North American Land Company, Inc., presented a counterplan consisting of a 320 square centered around an assumed surface location. Various other parties voiced support for or opposition to the applicant's proposal. After further questions and answers, the conference was adjourned. After further discussion with interested parties, the applicant has revised its proposal. The revised proposal comprises two (2) units, as depicted on the plat attached hereto. Should any party desire to confer concerning this revised proposal, a pre-hearing conference will be scheduled. Although the parties continue to work to resolve their differences, at this time it appears that there will be opposition at the hearing.

Attached hereto and made a part hereof is a plat outlining the HBY RC SUA and HBY RC SUB in the Lacassine Field, Jefferson Davis Parish, Louisiana. Also enclosed to the Commissioner of Conservation and District Manager ONLY is a list of Interested Owners, Interested Parties and Represented Parties to whom a copy of this notice is being sent. Copies of this list will be provided upon request. A reasonable effort has been made to ascertain the names and addresses

Hon. James H. Welsh Commissioner of Conservation Page 3

of all Interested Owners, Interested Parties or Represented Parties. Also enclosed is our check payable to the Office of Conservation, representing the required hearing application fee.

Very truly yours,

STRAIN, DENNIS, MAYHALL & BATES, L.L.P.

James C. Bates

JCB:mw Enclosures

cc:

Mr. Richard Hudson District Manager

Interested Parties Interested Owners Represented Parties

